



Demands in Domestic Market

Recently introduced government policies have increased the competitive edge for tiles manufacturers especially in the organized sector. There was a real estate slump that had come into play since demonetization and GST but it was relatively short-lived. The recently rolled out GST bill will eventually help in reducing project costs...all this and much more, **Abhishek Somany, MD, Somany Ceramics Limited** gives insight on domestic ceramic tile demand

How many showrooms/ display centers does Somany have in India?

Currently, we have 1,800+ dealers and 15000+ touch points across the country. We will continue our expansion drive in FY 2017-18 by opening another 200+ franchisee showrooms & company owned experience centers pan India.

What is the volume of your domestic market? What strategies are you following to increase Somany's share of the domestic market?

Our tiles business currently holds 8 % of the overall tiles market in India. With over four and a half decades of spear-heading industry innovation,

Somany Ceramics Limited is one of the leading players in the Indian ceramic industry with the widest product categories. We as a brand are constantly exploring opportunities to meet changing consumer needs and offer innovative products.

First and foremost, we developed an extensive marketing and distribution network which





helps us to reach our consumers in a more effective manner. This distribution network comprises over 15000+ touch points across the country. Apart from a strong national presence, globally we are present in 70+ countries.

We have also introduced a flagship studio on wheels - the Somany Design Studio, which is a strategic initiative undertaken to increase accessibility for the brand. This first-of-its-kind experience centre on wheels was flagged-off from Agra last year and is currently traveling across the country covering over 13,000 km and 100 cities so as to reach out to all consumers, architects, contractors, builders and dealers.

As for the growth prospects for domestic ceramic tile demand, is a recovery in the construction indus-

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How is the Indian market evolving in general?

India is the third largest tiles producer in the world. While the global tiles production grew at an annualized rate of 6.3% for the period 2006-2013, tiles production in India grew almost double at 12% during the same period. Consumption patterns

demand for tiles is expected to grow in India in the coming years. Factors such as rising real estate demands, increasing disposable incomes and rising middle class will drive growth. Government initiatives such "Housing for All 2022" will also drive the growth of tiles in the years to come.

What consequences do you expect from the introduction of the new Goods and Services Tax (GST)?

GST seems to have a constructive long term outcome on building products players due to an increasing shift in trade towards the organized segment. We were expecting GST for our industry to fall under the 18% tax slab, however GST for ceramic flooring material has been introduced at 28%. In the

of the ceramic industry, which accounts for 50-55% of the total, would definitely benefit from the implementation of GST. This can be attributed to stricter laws and transparent policies which will give the organized players an advantage over unorganized players.

What are your plans for future?

As part of the expansion plan for the upcoming financial year, we are planning to set-up our bath fittings plant in Bhiwadi. We have already initiated the process and look forward to start manufacturing by the end of 2017. We also expect the sanitaryware segment to contribute about INR 400 crore in the overall revenue in the next three to four years.